SUPPRESSION OF THE "RAINES LAW HOTELS"

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The present liquor tax law, commonly known as the Raines law, from its author and promoter in the legislature of the State of New York, Senator John Raines, was enacted in the year 1896. This law provided for local option with regard to the sale of liquor in the country districts and small towns, but not in the large cities of the state. It was otherwise a high license law, and in the City of New York the license for the sale of liquor to be drunk on the premises was fixed at $800, later raised to $1,200, in addition to which a bond was required of double the amount of the license. For the protection of residential districts it was provided that every applicant for a license should file with his application consents of two-thirds of the owners of buildings used solely for residential purposes within a radius of two hundred feet of the entrance of the place in which liquor was to be sold. Liquor was not, however, in any case to be sold within two hundred feet of a church (without the special consent of the trustees of the church) or a school on the same street or avenue; but a saloon or hotel existing in such location before 1896 might continue to sell liquor as before.

What concerns us, however, more specially is the hotel provision in this law, by which all liquor selling on Sunday was forbidden, except with a meal to guests in a hotel. A hotel, according

[1]The Committee of Fourteen for the Suppression of the "Raines Law Hotels" in New York City was created in 1905 by a conference of various civic bodies held at the City Club. The following persons are members of the committee: Rev. Lee W. Beattie, Hon. William S. Bennet, Prof. Francis M. Burdick, Mr. Edward J. McGuire, Mrs. William H. Baldwin, Jr., Miss Frances A. Kellor, Mrs. V. G. Simkhovitch, Hon. William McAdoo, Rabbi H. Pereira Mendes, Rev. Howard H. Russell, Mr. George Haven Putnam, Mr. Isaac N. Seligman, Mr. Francis Louis Slade. The officers of the committee are: Chairman, Rev. John P. Peters, well known for his studies in Babylonia, his writings and his interest in social betterment; treasurer, Mr. William Jay Schieffelin, and executive secretary, Mr. Frederick H. Whitin, to whose efficiency and single-mindedness much of the success of the committee's work is due.—Editor.

to existing statutory provisions incorporated in the law, must have not less than ten bedrooms, be provided with a separate kitchen and dining-room of adequate size and equipment, and comply with any local regulations affecting hotels in the city or town in which it was situated. While the excise commissioner was provided with very great power theoretically, at least, for the enforcement of this law, he was given no discretion with regard to the issuance of a license. Any person applying for a license in the correct form must receive it, even though it were known to the commissioner of excise that the statements made by the applicant were false, or the consents of neighboring property owners forged. The license once issued, however, the commissioner of excise can secure its revocation, by showing before a judge of the supreme court that the statements in or consents attached to the application are false or fraudulent. Likewise if, after the issuance of the license, the law is violated in any particular, the license may be revoked and, on proof before a jury that the licensee violated the conditions upon which it was issued, the bond forfeited to the state. One and the same penalty was provided for all violations of the law, from keeping a disorderly house, down to selling out of hours, namely, revocation of license and forfeiture of bond. It was also made the duty of the police authorities and the criminal courts to enforce the law, and anyone selling in forbidden hours or on Sunday, except in a hotel with a meal, or keeping a disorderly house or a gambling resort in connection with a place for the sale of liquor, was liable to arrest and might be punished criminally by fine or imprisonment or both. A conviction in the criminal courts, whether of the proprietor or of his agent, servant or employee, of keeping a gambling or a disorderly house, secured the revocation of the license, so that criminal prosecution really brings a double penalty in its train.

This law gives in practice an enormous advantage to the hotel. Being permitted to run on Sunday, the hotel is able, under pretence of selling liquor with meals, to maintain an open bar with comparatively slight risk of punishment, whereas the mere opening of the ordinary saloon on Sunday is in itself presumptive evidence that the law is being violated, and may lead to prosecution and conviction, if not on the instance of the excise department or the police, then on that of a taxpayer who, under the provisions of the law, is

allowed to prosecute before a judge of the supreme court, in the same manner as the excise department for revocation of a license, although not for forfeiture of the bond.

One result of the Raines law was that hundreds of saloons, the majority of them originally decent and orderly places, were turned into "hotels," with ten bedrooms, a kitchen and a dining-room. To cover the cost of the ten bedrooms, kitchen and dining-room, the proprietors were obliged to obtain some revenue from these rooms. In almost all cases there was no actual demand for such hotel accommodations; the result was that the great majority of these "hotels" became houses of assignation or prostitution. These are the so-called "Raines Law Hotels."

The careful investigation of the "social evil" made by the Committee of Fifteen, of which the late William H. Baldwin, Jr., was president, showed the serious nature of the evil resulting from these hotels. Situated largely in the midst of residence and tenement districts, they became the means of debauching the young of both sexes. They were the headquarters of the infamous "cadet system." Presenting themselves to the public under the innocent guise of hotels, young women were brought in and ruined and then sent out to a life of shame. It was to secure the abolition of these "hotels" that the Committee of Fourteen was organized in 1905.

The first task of the committee was to find out the actual conditions and ascertain wherein the law or its enforcement was at fault. Careful investigation showed that out of 1,405 registered hotels in Manhattan and the Bronx, not more than 250 could be counted as legitimate hotels, the remainder being houses of prostitution and assignation, masquerading as hotels at the suggestion and with the protection or connivance of the law. Of these fake hotels the greater number had come into existence as a result of the Raines law, and the majority of them did not even comply with the provisions of the law under which they existed regarding bedrooms, kitchen and dining-room. This was partly due to a serious defect in the law itself. The commissioner was obliged to issue a license to any place which claimed to be a hotel. There was no method of determining in advance whether it complied with the requirements of the law or not. The hotel permit once issued, it was slow and difficult work, owing partly to the difficulty of investigating and securing facts, partly to the delay methods of the courts, to secure

the revocation of the license within a period which would make that revocation effective as a penalty.

Manifestly, if the object of the law really was to prevent the licensing of improper places, it should be amended by providing some means of determining in advance whether the place applying for a hotel permit actually complied with the terms of the law. Such an amendment of the law, however, was objectionable to the originator of the law and also to those who then administered it. Accordingly the first attempt at such a modification of the law resulted in the passage, in 1905, of a make-shift bill, which ultimately turned out to be unconstitutional. Finally, 1906, a bill was passed, the so-called Prentice bill, which provided that all places claiming to be hotels should be examined by the building department, or corresponding officials of the city or town in which they were situated, to ascertain whether they complied with the terms of the law, and that a list of all places complying with the hotel laws of the state and the local regulations of the town or city should be furnished to the excise department, which thereafter should issue no hotel permits except to places thus certified to them as complying with the law. This instantly closed 540 alleged hotels in New York. Of course a large number of these places took out ordinary saloon licenses, still continuing the illicit use of their ten rooms under one guise or another; but they no longer held hotel permits.

The investigations of the Committee of Fourteen had shown that the excise department was run for revenue as its chief object. The courts, in a case brought to test the constitutionality of the Raines law, had adjudged that law constitutional only as a police measure. The excise department, however, had administered it as a revenue measure, with the object of securing as much profit as possible out of the sale of licenses. The excise commissioner had been in the habit of practically granting extra-legal licenses to brothel-hotels and the like, in consideration of the payment at certain intervals of an extra fee, disguised as a penalty. Had he not done so it would have been impossible for the "Raines Law Hotel" evil to attain the proportions which it did. The way in which this extra fee was levied was as follows:

The excise department each year secured through its agents evidence of violation of the law in a certain number of places,

This evidence was sufficient to revoke the license and forfeit the bond. The former action must be brought before the expiration of the certificate and so is limited, but the bond forfeiture action was, until this year, only limited by the statute of limitations (twenty years). These latter actions were therefore brought when and as the Department considered best for its policy of revenue collection. While these actions constituted in themselves a very considerable penalty, in comparatively few cases did they put the saloon out of business nor was it apparently the intention of the commissioner of excise that they should do so. As a rule in the case of revocation actions a new license was obtained for the balance of the year, under which business was continued as before, and the excise department was so much to the good. Had the commissioner actually desired to prevent immoral traffic, he could have done so by following up each case with repeated prosecutions until the place was put out of business or compelled to abandon its immoral traffic. A few examples in each town would have been quite sufficient to give the department control of the situation. What was done, however, was quite different. Instead of following up any given offender, until he ceased offending or was put out of business, after one license had been revoked the commissioner turned his attention to some one else, leaving the first offender alone for a period of years until he had recouped his losses. The result was a notable increase of revenue for the state, while few offenders were mulcted so heavily as to put them out of business. Thus the state, through its excise commissioner, really licensed vicious resorts in consideration of the payment of extra fees.

This system was to some extent interfered with by the action of private individuals and societies, who instituted prosecutions on their own account; and at one time the excise department, with the aid of the then governor of the state and of the originator of the law, actually secured an amendment to the law, preventing such action by private citizens, which interfered with this method of extra legal licensing of vice by the state.

A year ago the committee had a conference with Governor Hughes and the new commissioner of excise, Commissioner Clement, and laid before them the facts which they had ascertained with regard to the law and its administration. Both the governor and the commissioner agreed with the committee as to the essential

element of the law, namely, its police character, and in general also as to the manner in which the law ought to be administered, to make it effective, namely, that offenders should be followed up by continual prosecutions until the offense ceased. It is pleasant to add that the present commissioner, Hon. Maynard N. Clement, is making a much more effective use of the police provisions of the Raines law, although much hampered by the seeming hostility or indifference of the courts.

About this time, also, the committee called the attention of the department to an apparent wholesale violation of the law in New York City under previous administrations. The law specifies ten bedrooms as the minimum for a hotel in any locality, but provides for compliance with local regulations as to the number of bedrooms, etc., wherever such exist. The excise department had, however, without court interpretation actually accepted in New York City ten rooms as constituting a hotel, although under the provisions of the building code in that city a hotel must have over fifteen rooms. Had the excise department from the outset insisted on the number of rooms nominated in the building code, the ten-room "Raines Law hotels" could never have come into existence in New York City. The courts would doubtless at that time have sustained this natural and common sense interpretation of the law; if in fact anyone had questioned it. But New York courts have notoriously the habit of legislating by judicial decision for the protection of vested interests. When, therefore, after the conference referred to above, the present excise commissioner attempted this year to change the practice followed for twelve years and required instead of ten bedrooms for a hotel more than fifteen, as provided by the building code, this decision was contested and the lower courts, in view of the considerable vested interests which had been allowed to arise under the former practice of the excise department and which would be injured by the new ruling of the department, interpreted the law, contrary to the plain statement of its letter, as requiring no more than ten rooms to constitute a hotel. The case has been appealed and if it should be decided in accordance with the actual terms of the law itself, instead of on the principle of interpreting the law so as not to injure interests which have been allowed to become vested, 545 hotels will be put out of existence as hotels at one stroke.

On the criminal side there developed, in connection with the Raines law, a system of graft of a different and more private character, by police officials, district leaders, court clerks and the like. The proprietors of the Raines Law hotels paid so much to the police or the district leader for the privilege of improperly conducting them and for protection in court in case of prosecution.

This protection was secured by various devices. Magistrates who really desired to administer the law as it existed often hesitated to hold the alleged offender, because they were suspicious that the police had framed the case before them, only to use it as a club to compel the proprietors to pay graft. In the court of special sessions, the business of which is largely administered by the court clerks who have the actual arrangement of the calendar, there was an ingenious system of delay of favored cases, often by a nominal forfeiture of bail bond, which was generally equivalent to a nullification of the law. (From the report of District Attorney Jerome, it was ascertained that out of 457 bonds theoretically forfeited in this court in the year of 1907, only eleven were actually sent to his office for collection.) When the cases actually did appear on the calendar, the attorneys for the defense, not desiring a speedy trial, were full of ingenious excuses for postponements which, in its crowded condition, the court was not averse to granting. If the court refused to grant the postponement, a "doctor's certificate" would be presented. The right to move for a jury trial or other technical delays were also used. But none of these delays could have been of final value, had the judges, when conviction was secured, taken the facts into consideration, and imposed a sentence carrying a penalty equal to that which would have been suffered by a more prompt decision.

Space will not permit any full discussion of the police and court situation as it presents itself to the committee. Suffice it to add that it has, in the last few months, been greatly improved, albeit still leaving much to be desired. So much for the law and its administration, with which the committee has been compelled to deal in the course of its work.

Very little investigation, however, showed the committee that the law and its administration were not alone to blame in the premises. There was also to be taken into consideration the factor of corrupt business practice by men reputable in other regards,

who were deriving large profits, directly and indirectly, from the maintenance of the brothel-hotels, called Raines Law hotels.

In New York the retail liquor traffic is largely in the hands of the brewers. One brewing concern owns all the places in which its beer is sold, and another is rated third on the list of property holders in New York City. Where the place is not owned by the brewer, the brewer generally advances the money to pay the license fee and perhaps to furnish and equip the place, taking in exchange a chattel mortgage, or such other security as enables him to exercise a pretty fair control over his saloon and hotel keepers. The bonds which the liquor-dealer must furnish, and without which he could not conduct business, were written generally by one of the large surety companies. In case of places of notorious ill-character, constituting extra hazardous risks, the companies might demand an extra premium, and even secure themselves against the possibility of financial loss by requiring a deposit of cash or negotiable securities equal to the amount of the bond. Their agents knew the character of such places if the directors did not.

Believing that the brewers, and the officers and directors of the surety companies were, as a whole, respectable and reputable business men, who would not, when the facts were clearly laid before them, continue to indulge in such practices, the Committee of Fourteen entered into negotiation with both parties, laying before them the facts which they had ascertained. The brewers took the matter up with varying degrees of readiness and good will. Some individuals on their own account made an investigation of the premises controlled by them and cleaned them up. Resolutions were passed, condemning the sale of beer by means of disorderly resorts, and finally, in May of the present year, an agreement was entered into by the brewing interests, signed individually by the brewers furnishing ninety-five per cent of the beer sold in saloons and hotels in New York City, the gist of which is as follows:

We, the undersigned brewers, doing business in Greater New York, recognizing the propriety and importance of doing all in our power to assist in abating the evils caused by the existence of liquor stores, saloons and so-called Raines Law hotels which are of a disorderly character,

Hereby agree among ourselves that we will continue our co-operation with the Committee of Fourteen in their work of abolishing all disorderly liquor stores and saloons.

Our agreement is based upon the understanding that when the committee appointed by the president of the board of trade for the purpose of investigating all places reported to us as disorderly by the Committee of Fourteen, has, after such investigation, decided that a place is disorderly, we agree that we will at once secure the discontinuance of all disorderly practices in such place, or, failing in this, that we will at once withdraw all financial support, discontinuing the supply of beer and bring about, so far as we can, the closing up of such place.

It is too early to state, with any definiteness or detail, the final result of this action on the part of the brewers. Competition is very keen and brewers like other business men are afraid of advantage being taken of them by their rivals. A full condition of trustful co-operation has not yet been brought about between all parties concerned, but considerable results have already been obtained. More important, however, than the immediate result in the suppression of individual resorts is the general principle of co-operation thus established, and the admission on the part of the brewers of their obligation and ability to prevent such traffic.

With the bonding companies the results have been possibly a little more satisfactory. The large, reputable companies have, as a rule, withdrawn from the objectionable part of this business, refusing to issue bonds under any conditions on places which are notorious offenders and known as such to the police and others. Last year an out-of-state insurance company by its agent seized the opportunity to write bonds at a high premium on places which other companies had refused. These places were followed up by the authorities with particular zeal, police and excise department alike hammering them, with the result that the company suffered a considerable loss. Consequently this year conditions are better. The prospect of this evil business does, however, prove tempting, and the committee has been kept busy laying the facts before officers and directors of companies reported to be considering entering the field of excise surety bonding, urging upon them that, as a matter of common decency and good citizenship, they cannot undertake business of this description. The result of this attitude has been to compel infamous resorts to secure personal bonds, a result not altogether satisfactory to the excise department, which believes that this will render it harder to collect on those bonds and therefore more difficult to enforce the severe financial penalty involved in their forfeiture. It has been suggested that such resorts be

allowed to bond through the large companies, securing the risk by deposit of full cash indemnity, in addition to paying a premium. The committee believes that such a course would result in a speedy reversion to former conditions. It is important to make it as difficult as possible for such places to secure any bond at all, and consequently to urge, and also to make it to the interest of, the surety companies to refuse to write such objectionable bonds.

There are many details of the work of the committee which cannot be touched on in the space of such a paper as this. To some extent the general results of its work may be expressed in figures, as follows:—In the year 1905 there were in Manhattan and the Bronx, the field of the work of this committee, in round numbers, 1,400 hotels. There are to-day 800, a reduction of almost fifty per cent, all those put out of business being fake concerns, the so-called Raines Law hotels. Of the hotels at present existing, 550 are of the ten-room variety, which, in the great majority of cases, are dangerous resorts, hotels only in name.

If the law should be interpreted by the courts according to its letter, these would at once be closed as hotels. Of the 250 hotels which really comply with the requirements of the building code, probably about 200 are actually genuine and legitimate hostelries.

This committee was not organized for the purpose of abolishing or controlling the "social evil" as such, nor with a view to the control of the excise situation as such. Its sphere is limited, as its title shows, to the suppression of the infamous resorts called "Raines Law Hotels," in which prostitution and the sale of liquor are combined in a peculiar form, under the provision of the excise law of New York, known as the Raines law. The committee as such has no theories with regard to the control either of prostitution, or of the liquor traffic. As the result of its work it has, however, gathered much material bearing on both questions.

One thing is clear to all its members, as the result of its work, that in New York City the social evil is closely connected with the liquor traffic. The present writer does not believe that this connection is necessary or ineradicable. The liquor dealers, and especially the brewers, are in part responsible for this condition. They have allowed a traffic, which the present writer believes to be in itself entirely legitimate and proper, to be prostituted for the sake of gain. It should be said, however, that they are not the only ones

who have done this. Very reputable property holders, including not a few women, knowingly lease their property for immoral purposes, because in that way they can secure a larger return. On these people the committee has been able so far to produce little impression, but has ascertained that they do not like to be informed of the facts. Investigation has shown also that some of the steamboat companies, whose officers and directors are quite respectable persons, allow the staterooms on certain of their boats to be let by the hour, or similar periods, evidently for immoral purposes, those boats being in fact floating houses of prostitution. It does not follow that steamboat navigation in the neighborhood of New York is in itself an infamous occupation, but if such practices should spread, stateroom steamboats of a certain class would ultimately become disreputable and the profession of managing them fall into disrepute. Something of this sort has in fact befallen the liquor traffic in New York, partly through the fault of the liquor dealers and manufacturers, partly through the fault of the law and its administration. The liquor dealers, and especially the wholesale liquor dealers, can do very much to divorce the sale of liquor from the abuses now connected with it, and especially from prostitution, and they must take very drastic measures to do so, if they do not wish to see their trade abolished altogether as a menace to society. But it should never be forgotten that there are other agencies which are responsible for present conditions, and above all that the community itself, represented by the Government of the State of New York has been, to a shameful degree, *particeps criminis*, in creating and encouraging "Raines Law Hotels" and the vice for which they stand. This is more, perhaps, on account of the administration of the law than by the actual provisions of the law itself, although that is very defective.